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Argentina

HUMAN RIGHTS: THE KEY TO OUR RELATIONS

I. STATEMENT OF PROBLEM

The human rights situation in Argentina bedevils our relations, with the possibility that we may soon have to treat Argentina like Chile or Uruguay. The GOA refuses to acknowledge the names of thousands of political prisoners under detention; disappearances, prolonged periods of incommunication, intimidation of lawyers, instances of anti-Semitism, and the harassment of foreign refugees are undeniable. Summary executions of prisoners were reported as recently as early 1977; torture has been brutal, widespread and generally unpunished.

Earlier, the Argentines received mixed signals from us on human rights, in effect giving the GOA the impression that it had carte blanche to pursue terrorism. Repeated representations on behalf of human rights were, therefore, not taken very seriously. It is important to persuade the GOA that the USG is serious about such rights - and there must be cooperation from DOD and CIA.

II. FOREIGN GOVERNMENT POSITION

The GOA will declare that it inherited a terrible problem, and that it is dealing with terrorists who have no respect whatever for human rights. Some officials will deny flatly that serious abuses are occurring. The GOA may also point out that it is seeking to guarantee the human rights of all Argentines, that prisoner detentions and releases are now being acknowledged, that the ICRC (Red Cross) is visiting prisons, that there is cooperation with the UNHCR on refugees, and that quiet steps have been taken to correct abuses due to the loose decentralization of counterterrorism.

III. OUR POSITION

We fully accept the premise that the GOA inherited an impossible situation in March 1976. Even the Peronist Parliament and unions stood aside to permit the military to do their job. Now, fully a year later, the military have largely accomplished their security goals but are

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not moving appreciably to restore legal forms and political peace. On the contrary, they are polarizing society.

IV. SUGGESTED TALKING POINTS

- The United States recognizes that Argentina has been the victim of a brutal terrorist onslaught seeking to destroy society.

- The first major victory of the terrorists probably came when the legal system found itself unable to cope with the situation due to the intimidation of judges.

- The terrorists scored another major victory when Argentina's political institutions failed to produce leadership and the military took over to avert economic and political chaos.

- After a year in power, the Argentine government has made astonishing progress, breaking the back of terrorism and salvaging the economy.

- We fear, however, that terrorism is on the verge of two further victories:

(1) The Argentine military appear split between so-called hardliners and moderates. The terrorists seek a hardline victory so that Argentine society may be split further.

(2) Inasmuch as they are able to provoke counter-terrorist excesses, the terrorists will succeed in driving a wedge between the United States, the West and Argentina.

- We want the Argentine government to succeed because Western values are at stake and Argentina's handling of the situation will have a lasting effect on the hemisphere.

- We think it essential for the Argentine government to wage the peace or risk losing the war. The government should recognize its unquestioned strength and begin to gamble dramatically on the side of peace, with the help of the citizenry.

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- The impression must be corrected that the Argentine government is not in full control and must resort to mysterious right wing forces and unexplained disappearances to root out terrorism.

- We strongly urge the acknowledgment of all prisoners under detention, the restoration of due process, and the punishment of all excesses. Perhaps the "right of option" which allows Argentine citizens to leave the country rather than being held without charges might be restored.

- In sum, we are anxious to see the Argentine government reflect the values most Argentines and the Western world share.

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Argentina

U.S.-ARGENTINA MILITARY RELATIONS JEOPARDIZED (To be Used Only if raised by GOA)

I. STATEMENT OF THE PROBLEM

Our ability to maintain military relationships with Argentina is diminishing rapidly. FY 1978 military credits have already fallen by the wayside due to human rights; the FY 1977 credits are being held in abeyance for the same reason. The continuance of a \$700,000 grant training program is being criticized as are all military sales, whether FMS cash or commercial. Congress is considering a cutoff of all U.S. arms transfers and training for Argentina: this includes commercial sales and items in the pipeline.

II. FOREIGN GOVERNMENT POSITION

Argentina values its military ties with the U.S. but could get along easily without us.

III. OUR POSITION

Argentina is of relatively marginal military interest to us. Military ties are, however, important to our overall relationship. During the World Wars and Korean War we were anxious to have Argentina on our side because of its enormous food resources which we wanted to deny to our enemies. Argentina is also the logistic base for an important U.S. Antarctic installation, which might have to be closed if we cannot work with the Argentine Navy. We would thereby weaken our claim to part of Antarctica and to the region's resources. Finally, a denial of military assistance would impede our ability to influence the Argentine atomic energy program, Latin America's most advanced.

IV. SUGGESTED TALKING POINTS

- The United States values its military ties with Argentina and knows the Argentine Armed forces are anxious to cooperate with ours.

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- While we recognize that the Armed Forces did not create the problem they are dealing with, there is no way to explain the current counterterrorist excesses of the armed forces and police to our people and the Congress.

- Unless the situation changes very soon in Argentina, we strongly suspect that Congress will ban all military cooperation with Argentina, including commercial sales.

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Argentina

MULTILATERAL ASSISTANCE TO ARGENTINA IN IDB & IBRD

I. STATEMENT OF PROBLEM

We are required to take human rights factors into consideration when deciding how we will vote in the IDB and IBRD. In the former case, we warned Argentina last September that it was unlikely that we would be able to support loans which did not benefit the needy because of the Harkin Amendment. Since then, it appears that Argentina has deliberately kept certain loans out of the IDB. In the World Bank, in March we voted for a \$105 million highway project after making a mild statement on human rights; Argentina reacted angrily to our words. A new crunch will come later this month or in June when the IBRD takes up a \$100 million industrial credits project. There will be pressure to make a strong statement or vote against Argentina. This loan is the most effective leverage we have to apply against Argentina in the next few weeks.

II. FOREIGN GOVERNMENT POSITION

The GOA knows fully that the social cost of economic recovery will rise sharply if international credits are not available. It will therefore try hard to retain such credits, charging that the U.S. is violating the charters of multilateral lending institutions by introducing political factors. It will also try to mobilize sympathetic IBRD members against the U.S. position.

III. OUR POSITION

The international lending institutions are part of the UN system and UN membership entails respect for the Universal Declaration of the Rights of Man. Furthermore, it is unrealistic to think that Congress will permit U.S. taxpayer money to appear to be used on behalf of repressive regimes.

IV. TALKING POINTS

- We believe your government knows already how difficult it was for us to vote for the \$105 million highway loan last March.

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- It will obviously be even more difficult for us to support the upcoming \$100 million industrial credits loan in the World Bank, unless the human rights situation changes perceptibly.

- It is not pleasant for us to deny support in the economic field when this is the area we most wish to be involved in. However, we are committed to using our voice and vote in the international financial institutions and intend to do so. We believe that Article 55 of the United Nations Charter gives us the legal basis to raise human rights concerns in any UN affiliated institution. (Article 55 "...UN shall promote ... universal respect for and observance of human rights and fundamental freedoms for all ...")

- We hope of course that events in Argentina will permit us to take a positive rather than negative stance in the World Bank and IDB.

- If raised by GOA: Eximbank appeared close to liberalizing its lending practices in Argentina but has held back due to Congressional sensitivities about human rights in Argentina. Eximbank of course depends on Congress for funds.

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Argentina

COUNTERVAILING DUTIES ON LEATHER GOODS
(to be used only if raised by GOA)

I. PROBLEM

U.S. industry is complaining that Argentina is unfairly supporting its leather goods exporters, and wants countervailing duties imposed. \$8 million in Argentine exports are involved.

II. FOREIGN GOVERNMENT POSITION

Argentina maintains that a 15% shoe subsidy simply represents reimbursement to exporters of previously collected indirect taxes. The GOA has not explained its other leather goods practices yet.

III. U.S. POSITION

See Talking Points.

IV. TALKING POINTS

- U.S. actions are required by law.
- Full consideration will be given to Argentina's position by the Department of Treasury.
- In the case of leather wearing apparel, there must be evidence of injury to U.S. industry in addition to subsidies before U.S. duties are required.
- Final decisions will not be made until the end of the year although preliminary findings on shoes could lead to tariffs at mid-year. These tariffs are reimbursable if the final decision favors Argentina.
- (If raised by GOA). Treasury is considering Argentina's request that one of Treasury's senior technicians go over Argentine tax law as it conflicts with our trade legislation.
- (if raised by GOA). It is premature to discuss escape clauses whereby trade adjustment assistance can be considered in lieu of tariffs.

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Argentina

WHEAT CONSULTATIONS

(to be used only if raised by GOA)

I. PROBLEM

Argentina is the sixth most important world exporter of wheat, and has the potential to be even more important. It is vitally interested in the possibility of a new international wheat agreement. The present one expires in June 1978 and is consultative only.

II. FOREIGN GOVERNMENT POSITION

Argentina is basically interested in stable wheat prices.

III. U.S. POSITION

The U.S. is willing to consider measures to moderate extreme price fluctuations through an internationally agreed arrangement on wheat reserves. The U.S. does not intend to return to the role of residual supplier and carry reserve stocks for the rest of the world. Our final position will depend greatly on farm legislation being considered by Congress.

IV. TALKING POINTS

- The United States welcomes Argentina's willingness to cooperate in the area of grain trade.

- We believe there is a common desire among exporters and importers to achieve greater stability in the market for grain and to examine means for achieving greater world food security. (The U.S. does not favor the formation of cartel-like arrangements.)

- Until Congress completes its work on farm legislation, it is difficult for us to be more precise on our objectives.

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Argentina

MEAT SALES TO THE UNITED STATES

(to be used only if raised by GOA)

I. STATEMENT OF PROBLEM

Argentina cannot sell uncooked meat to the United States because of hoof and mouth disease.

II. FOREIGN GOVERNMENT POSITION

The GOA claims that U.S. sanitary restrictions are devices to protect U.S. producers. It wants relaxation of U.S. regulations to permit importation of fresh beef under controlled conditions. GOA proposals include designation of Patagonia as an aftosa-free zone and the lowering of required cooking temperatures for processed beef to permit greater variety.

III. U.S. POSITION

USDA continues to believe that Argentine proposals pose an unacceptable health risk.

IV. SUGGESTED TALKING POINTS

- The U.S. recognizes Argentine efforts to free the country of aftosa.

- Secretary of Agriculture Bergland met with Agriculture Minister Cadenas and welcomed the possibility of further discussing health and sanitation matters.

- Health restrictions are not a device to deny U.S. markets to Argentine beef. In fact, U.S. imports of processed beef have risen.

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ARGENTINA

A.I.D. PROGRAM

A.I.D. has phased out in Argentina. FY-1971 was the last year of bilateral development assistance programs. Only monitoring activities remain for the residual Housing Guaranty (HG-001) and Grain Storage loan (L-011) projects.

One local employee, Mr. Enrique Buenano, monitors and reports on construction activities under the fully-disbursed grain storage loan and maintains liaison with Argentine authorities on matters relating to the Housing Guaranty project.

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